

## Sabah TLAS Audit Report Principles 5 & 6

<b>Organisation</b>	Tenant: Sukses Jadi Sdn. Bhd. (1060600-M) Mill: Bountiful Returns Sdn. Bhd. (285076-W)	<b>Reference #</b>	GFSSBH 004-578
<b>Contact Person</b>	Joseph Chan Teck Ming (Management Representative)	<b>Audit Date</b>	21/11/2023
<b>Office Address</b>	TB16480, Taman Megah Jaya, Megah 9/1, Batu 3 ½, P.O. Box 60402, 91000 Tawau, Sabah, Malaysia.	<b>Date close out</b>	-
<b>Mill Address</b>	CL 105381833, KM 60, Sg. Sibuku, Brantian, P.O. Box 60402, 91000 Tawau, Sabah, Malaysia.	<b>Telephone</b>	+6013 883 3668 +6089 751 019
<b>Email</b>	wind_ming83@yahoo.com DFO Kalabakan: MohdAzmi.Yazid@sabah.gov.my	<b>Fax</b>	-
		<b>Approved By</b>	Dr. Kevin Grace

### Statements

<b>Audit Statement #</b>	GFS 115 WTP		
<b>Issuance Date</b>	27 November 2023	<b>Expiration Date</b>	26 November 2024

### Assessment Details

<b>Company Type</b>	Veneer/Plywood mill, Sawmill, Moulding mill, Exporter
<b>Scope of Assessment</b>	Sabah TLAS P5-6: JP(T)KA001/14(X14), KON(TKA)005/2020(KK), FDS(KA)(E)012/2020(MT), FDS(KA)(S)006/2020(MT), KON(TKA)002/2020(KK)
<b>Product Group</b>	Veneer and Sawn timber
<b>Source of Material</b>	Sabah, Malaysia.
<b>Species</b>	<i>Drybalanops spp.</i> (Kapur), <i>Dipterocarp spp.</i> (Keruing), <i>Parashorea spp.</i> (White seraya), <i>Shorea spp.</i> (Red seraya, Yellow seraya, Melapi), <i>Heritiera simplicifolia</i> (Kembang), <i>Scaphium spp.</i> (Kembang semangkuk), (Nyatoh), <i>Shorea pauciflora</i> (Oba suluk), <i>Neolamarckia cadamba</i> (Laran), <i>Duabanga moluccana</i> (Magas), <i>Octomeles sumatrana</i> (Binuang), <i>Alstonia spp.</i> (Pulai), <i>Nauclea spp.</i> / <i>Neonauclea spp.</i> (Bangkal), <i>Annonaceae spp.</i> (Karai), <i>Eugenia spp.</i> (Obah), <i>Sindora beccariana</i> (Sepetir), Lauraceae (Medang), <i>Planchonia valida</i> (Putat), <i>Lophopetalum spp.</i> (Perupok), <i>Terminalia subspathulata</i> (Talisai), Myristicaceae (Darah-darah), <i>Dillenia spp.</i> (Simpur), <i>Cotylelobium spp.</i> (Resak batu), <i>Cratoxylum arborescens</i> (Serungan), <i>Pentace spp.</i> (Takalis), <i>Koordersiodendron pinnatum</i> (Ranggu), <i>Hopea sangal</i> (Gagil), <i>Tristaniopsis merguensis</i> (Pelawan-pelawan), Gluta/Semecarpus/Melanochyla & Swintonia (Rengas), Annonaceae (Pisang-pisang), <i>Azadirachta excels</i> (Bawang-bawang), <i>Endospermum diadenum</i> (Sendok-Sendok), <i>Camptosperma auriculatum</i> (Terentang), Assam, Perapat Hutan, <i>Azadirachta excelsa</i> (Sentang), Lithocarpus & Quercus (Mempening), <i>Albizia falcataria</i> (Batai), OT (Other timber)
<b>Lead Assessor</b>	Brandon James
<b>Assessor(s)</b>	Glory Linggou, Tommy Olui, Vanessa Abin
<b>FDS Staff</b>	Saharuddin Jumil (PPD Kalabakan)

### Terms of Assessment

The scope of the evaluation is to verify compliance of Bountiful Returns Sdn. Bhd. (Sukses Jadi Sdn. Bhd.) to the criteria within the Sabah Timber Legality Assurance System (TLAS) Principle 5 - Mill Operations and Principle 6 - Trade and Customs standards. Compliance is defined when the organization demonstrates that there is no non-compliance to any applicable criteria. Non-compliance to the Sabah Legality Standard occurs when the organization does not comply with 1 or more criteria. Non-compliance must be formally addressed prior to certification or within 2 months following a surveillance assessment.

### Limitations of Assessment

The information presented in this report is based on documentation and other information presented by the client and observations made during the field verification under the assessment. Auditor's reporting of information presented by the client are taken as accurate, unless evaluated differently through the observations made during the assessment. All information presented in the report is accurate and complete to the best of knowledge of GFS.

### Background Information:

Bountiful Returns Sdn. Bhd. (Bountiful Returns) is registered in Kuala Lumpur, Malaysia, with registration # 285076-W. Sukses Jadi Sdn. Bhd. (Sukses Jadi) is registered in Tawau, with registration # 1060600-M.

Sukses Jadi (Tenant) has a tenancy agreement with Bountiful Returns (Landlord) to operate the veneer / plywood mill and sawmill from 01/12/2021 to 30/11/2023. Sukses Jadi produces veneer for the local market and exports them to India, Taiwan, The Philippines, and Peninsular Malaysia. Sukses Jadi operates the sawmill for internal use only.

The previous assessment was conducted in December 2022 that resulted in 1 gap(s) and 1 observation(s) (Report #: GFSSBH 004-434).

### Associated Organizations & Subcontractors:

Sukses Jadi does not engage other organizations or subcontractors to provide or manufacture products.

### Description of the Supply Chain:

From October 2022 to October 2023, Sukses Jadi purchased raw materials from the suppliers as below:

Supplier	License	Raw Material	Location	GFS WTP # STCC #	Overall Risk *
Rakyat Berjaya Sdn. Bhd. (Mega Wakid Sdn. Bhd.)	SFMLA 09/97 TWU 17/11	Round log	Kalabakan	Non-Compliance	High
Top Quantum Sdn. Bhd.	SFMLA 01/2009	Round log	Serudong	GFS 071 LVS (18/06/2024)	Low
Sabah Softwoods Berhad	JP(T)TW002/11(B0 1)	Plantation log	Tawau	GFS 160 WTP (29/10/2024)	Low
Rakyat Berjaya Sdn. Bhd. (FMU 25)	SFMLA 09/97 TWU 01/22	Round log	Serudong	Non-Compliance	High
Pesona Majukaya Sdn. Bhd.	SFMLA 01/2018	Round log	Serudong	GFS 163 LVS (02/07/2024)	Low
Sapulut Forest Development Sdn. Bhd.	SFMLA 04/97	Round log	Tibow	GFS 025 LVS (09/07/2024)	Low
Benta Wawasan Sdn. Bhd. (Serijaya Industri Sdn. Bhd.)	Form IIB: JPHTN/FRM700- 2/1/15/JILID.2/51  JPHTN/FRM700- 2/1/15/JILID.2/61  JPHTN/FRM700- 2/1/15/JILID.3/3	Round log	Kalabakan	Non-Compliance	High
JD Salarong Sdn. Bhd. (SC Capital Management Sdn. Bhd.)	JP(NNN)005/2020( F1)	Round log	Nabawan	Non-Compliance	High
Tawau Kilning & Moulding Sdn. Bhd.	JP(T) TW 001/14 (X04)	Waste wood**	Tawau	GFS 036 WTP (21/05/2024)	Low

Note: \*GFS risk evaluation is based on the risk matrix for Sabah TLAS (VL) materials & products.

\*\*Waste wood for own use.

**Summary Results:**

(Major gap = 0, Minor gap = 0, Observation = 2)

GAPs: Year 2023				
GAP #	Type	Checklist	Status	Description
001/2022	minor	5.2.3	Closed	<p><b>December 2022:</b> Plantation logs received from Sabah Softwood Berhad in September 2022 were not recorded in the Log Arrival Book (Removal pass #: B263057-061, 36.2617 m<sup>3</sup>).</p> <p><b>November 2023:</b> Logs and waste wood were recorded in the arrival book.</p>

\*Major = Non-Compliance

Observations: Year 2023		
Obs #	Checklist	Description
001-2022 Addressed	6.1.2	<p><b>December 2022:</b> Identification of Sabah TLAS status was documented on the packing list but not in the invoice.</p> <p><b>November 2023:</b> Sukses Jadi has not claimed their export products as Sabah TLAS; hence, no Sabah TLAS status is identified in the invoice and packing list.</p>
001-2023	5.1.2	<p><b>November 2023:</b> Bountiful Returns did not record the sawn timber carry forward stock in an online submission for Appendix 1 for September and October 2023.</p>
002-2023	5.2.2	<p><b>November 2023:</b> Removal pass issued under Sabah Softwoods Berhad was not stamped with "Sabah TLAS CC" stamp.</p>

Highlights of Close-Out Visit (if applicable)	Date: -
Not applicable	

Recommendations
<p><b>Bountiful Returns Sdn. Bhd. (Sukses Jadi Sdn. Bhd.)</b> has demonstrated compliance with the Sabah Standard Principles 5-6 for Chain of Custody and is recommended to receive a GFS Statement of Compliance and Sabah Timber Legality Assurance System Compliance Certificate (TLAS-CC) from SFD.</p> <p>Gap(s)/Observation(s) identified in this assessment should be addressed before the next surveillance visit. Action required to close the gap(s)/observation(s) include:</p> <p><b>Observation 001-2023 - Checklist 5.1.2:</b> Bountiful Returns shall consistently record the sawn timber carry forward stock in Appendix 1 online submission.</p> <p><b>Observation 002-2023 - Checklist 5.2.2:</b> SFD shall stamp removal passes from licensees compliant under Sabah TLAS P1-4 with the "Sabah TLAS CC" stamp.</p> <p>The next surveillance visit is scheduled for November 2024.</p>

**End of Summary Report**